

AR52

**Metropolitan Estate and
Property Corporation Limited**

**Annual Report
and Accounts 1971**



Metropolitan Estate and
Property Corporation Limited



Chairman's Statement
Directors' Report and Accounts
for the Year ended
30th September, 1971

Officers of the Company



The Chairman



The Managing Director

Board of Directors

Sir Henry Johnson, C.B.E., *Chairman*
A. Kennedy Kisch, M.A., *Deputy Chairman*
R. H. Sheppard, F.R.I.C.S., *Managing Director*
M. R. Creasey, F.R.I.C.S., *Deputy Managing Director*
P. A. Anker, F.R.I.C.S., *Deputy Managing Director*
R. J. Dickinson, M.A.
W. E. Philp, F.R.I.C.S.
J. C. Hawkes, F.R.I.C.S.
Bernard Dufton, F.C.A.
The Hon. Angus Ogilvy
W. M. Balch, F.R.I.C.S.
R. G. Dashwood, M.A., F.R.I.C.S.
The Hon. Jacob Rothschild
Jack W. Hughes, B.Sc. (Est. Man.), F.R.I.C.S.

Secretary and Registered Office

A. L. Crowe, F.C.A.
Brook House, 113 Park Lane, London W1Y 4AY

Auditors

Thomson McLintock & Co.
Chartered Accountants, 33 King William Street, London EC4R 9EE

Registrars and Transfer Office

Barclays Bank Trust Company Limited
P.O. Box 123, 2 London Wall Buildings, London EC2P 2BU

Bankers

Barclays Bank Limited
Lloyds Bank Limited
National Westminster Bank Limited

Bank of Montreal Building
Place D'Youville, Quebec City →



Notice of Meeting

Notice is hereby given that the Annual General Meeting of the Company will be held at The Dorchester Hotel (Orchid Room), Park Lane, London, W.1, on Thursday, 30th December, 1971, at 12 noon for the following purposes:

Ordinary Business

1. To receive and adopt the Balance Sheet and Statement of Accounts as at 30th September, 1971, and the Report of the Directors thereon.

2. To declare a Final Dividend on the Ordinary Share Capital.

To re-elect Directors:

3. Mr. Bernard Dufton, F.C.A.
4. The Hon. Angus Ogilvy
5. Mr. P. A. Anker, F.R.I.C.S.
6. Mr. R. J. Dickinson, M.A.
7. The Hon. Jacob Rothschild
8. Mr. Jack W. Hughes, B.Sc. (Est. Man.), F.R.I.C.S.
9. Sir Henry Johnson, C.B.E.

10. To authorise the Directors to fix the remuneration of the Auditors.

Mr. R. J. Dickinson, M.A. retires in accordance with the provisions of Section 185 of the Companies Act, 1948, having attained 70 years of age. Special Notice has been received that a Resolution will be proposed for his re-election to the Board.

Special Business

As special business, to consider and if thought fit pass the following Resolutions as Special Resolutions:

11. That the Authorised Capital of the Company be increased from £37,500,000 to £47,500,000 by the creation of 40,000,000 Ordinary Shares of 25p each.

12. That the Articles of Association be amended as follows:

(a) by deleting the first sentence of Article 76 and substituting therefore the following:

"The Directors shall be entitled to remuneration at the rate of £2,000 per annum each, with an additional £500 per annum for the Chairman of the Board and with an additional £250 per annum for each Deputy-Chairman (if any) of the Board and such remuneration shall accrue de die in diem"; and

(b) by deleting Article 79 and by substituting therefore the following as a new Article 79:

"79. The Directors may give or award pensions, annuities, gratuities and superannuation or other allowances or benefits to any persons who are or have at any time been Directors of or employed by or in the service of the Company or of any company which is a subsidiary company of or allied or associated with the Company or any such subsidiary and to the wives, widows, children and other relatives and dependants of any such persons and may establish, maintain, support, subscribe to and contribute to

Notice of Meeting (continued)

all kinds of Schemes, Trusts and Funds for the benefit of such persons as are hereinbefore referred to or any of them or any class of them, and so that any Director shall be entitled to receive and retain for his own benefit any such pension, annuity, gratuity, allowance or other benefit (whether under any such fund or scheme or otherwise) and may vote as a Director in respect of the exercise of any of the powers by this Article conferred upon the Directors, notwithstanding that he is or may be or become interested therein."

By Order of the Board

A. L. Crowe, Secretary

London, W.1.

7th December, 1971

Notes:

1. These Accounts are sent to Preference, Debenture and Loan Stockholders for information only. They are not entitled as a right to attend or vote, either in person or by proxy, at the above-mentioned meeting.
2. A Member of the Company who is entitled to attend and vote may appoint a proxy or proxies to attend and, on a poll, to vote in his stead. Forms of Proxy must be signed by the appointor and deposited at the Transfer Office not less than 48 hours before the meeting. A proxy need not be a Member of the Company.
3. There will be available for inspection at Brook House, 113 Park Lane, London W1Y 4AY during the usual business hours on any weekday (Saturdays and Public Holidays excepted) from the date of this notice to and including the Annual General Meeting:
 - (a) A Statement of transactions of the Directors (and of their family interests) in the Share and Loan Capital of the Company and of its subsidiaries during the twelve months to 14th November, 1971.
 - (b) Copies of the Contracts of Service or Memoranda of the terms whereunder Directors of the Company are employed by the Company or any subsidiary.

Report of the Directors for the year ended 30th September, 1971

To be presented to the Annual General Meeting of the Company at The Dorchester Hotel (Orchid Room), Park Lane, London, W.1, on 30th December, 1971.

	£'000	£'000
Financial Results and Dividends		
The net profit, before deducting taxation, amounts to		10,431
Less Taxation as shown in the Revenue Account		4,082
Net profit after taxation		6,349
Less Profit attributable to outside interests in subsidiaries		278
		6,071
Appropriated to reserves:		
Overseas properties reserve	271	
Profit on dealing, after taxation	151	422
		5,649
Dividends paid or payable for the year:		
Preference	98	
Ordinary:		
Interim (6%) paid 24th June, 1971	1,455	
Proposed Final (15%) payable 30th December, 1971	3,637	5,190
		459
Balance brought forward from previous year		1,858
Balance to carry forward		2,317

Activities

The business of the group is property investment and development and dealing, with the exception of the undermentioned minor subsidiary companies which were acquired in connection with property transactions:

Jeffery, Sons & Company, Limited (Furnishing Trade)
King's Head Hotel (Darlington) Limited
T. M. Locke Limited (Furnishing Trade)

Issue of Share Capital

On 31st December, 1970, 150,857 ordinary shares of 25p each at 48p per share were issued to The Prudential Assurance Company Limited upon the exercise of conversion rights attaching to £72,000 of 6 $\frac{3}{4}$ % First Mortgage Debenture Stock 1997/2000.

Property Valuation

The directors have instructed Messrs. Knight Frank & Rutley and Messrs. Jones, Lang, Wootton, leading firms of surveyors and valuers, to prepare a revaluation of the Group's properties which is expected to show a very significant increase over the present book value. In the opinion of the directors it is not practicable to quantify the amount of the increase until completion of the revaluation.

Directors

The names of the directors of the Company are set out on Page 2. Other directors who held office during the year were Mr. Norman E. Knifton, F.R.I.C.S. who resigned on 6th September, 1971 and Sir Charles E. M. Hardie, C.B.E., F.C.A. who retired on 30th September, 1971. The Hon. Jacob Rothschild and Mr. Jack W. Hughes, B.Sc. (Est. Man.), F.R.I.C.S., who were appointed directors on 23rd March, 1971 and Sir Henry Johnson, C.B.E., who was appointed on 6th September, 1971, retire from the Board in accordance with the provision in the Articles of Association and offer themselves for re-election. Mr. R. J. Dickinson, M.A., retires in accordance with the provisions of Section 185 of the Companies Act, 1948, having attained 70 years of age and offers himself for re-election. Special Notice has been given of the intention to propose such re-election in accordance with the provisions of the Companies Act. The Directors retiring by rotation in accordance with the provisions of the Articles of Association are Mr. W. M. Balch, F.R.I.C.S. who does not seek re-election and the following:

Mr. Bernard Dufton, F.C.A.
The Hon. Angus Ogilvy
Mr. P. A. Anker, F.R.I.C.S.

who offer themselves for re-election.

Report of the Directors (continued)

Directors' Interests in Shares and Loan Stocks of the Company

The interests of the directors in shares and loan stocks of the company and its subsidiaries are set out below. They include such family interests as are required by the Companies Act, 1967.

M.E.P.C. LIMITED		Ordinary	4½% Pref.	4% Deb. Stock 1996	5½% Deb. Stock 1984/89	8% Unsec. Loan Stock	5% Conv. Unsec. Loan Stock 1989/94
Sir Henry Johnson	(a)*	1,000	—	—	—	—	—
	(b)*	1,000	—	—	—	—	—
A. Kennedy Kisch	(a)	180,541	—	—	—	—	£51,916
	(b)	136,341	—	—	—	—	£51,916
R. H. Sheppard	(a)	17,050	£500	£1,000	£1,000	—	£1,000
	(b)	17,050	£500	—	£1,000	—	£1,000
R. H. Sheppard (non-beneficial holding)	(a)	—	—	—	—	—	—
	(b)	7,700	—	—	—	—	£1,000
M. R. Creasey	(a)	958	—	—	—	—	—
	(b)	958	—	—	—	—	—
P. A. Anker	(a)	4,597	—	—	—	—	£900
	(b)	2,317	—	—	—	—	£900
P. A. Anker (non-beneficial holding)	(a)	347	—	—	—	—	—
	(b)	347	—	—	—	—	—
R. J. Dickinson	(a)	41,750	—	—	—	—	—
	(b)	41,750	—	—	—	—	—
R. J. Dickinson (non-beneficial holding)	(a)	317,707	—	—	—	—	£14,630
	(b)	317,707	—	—	—	—	£14,630
W. E. Philp	(a)	2,200	—	—	—	—	£600
	(b)	2,200	—	—	—	—	£933
J. C. Hawkes	(a)	104,234	—	—	—	£50	£7,375
	(b)	104,213	—	—	—	£50	£7,375
J. C. Hawkes (non-beneficial holding)	(a)	1,500	—	—	—	—	—
	(b)	1,540	—	—	—	—	—
B. Dufton	(a)	4,400	—	—	£1,000	—	£3,000
	(b)	4,400	—	—	£1,000	—	£3,000
The Hon. Angus Ogilvy (non-beneficial holding)	(a)	2,000	—	—	—	—	—
	(b)	2,000	—	—	—	—	—
W. M. Balch	(a)	3,705	—	—	—	£235	£131
	(b)	4,705	—	—	—	£235	£131
R. G. Dashwood	(a)	17,905	—	—	—	—	£13,055
	(b)	17,905	—	—	—	—	£13,055
The Hon. Jacob Rothschild	(a)	—	—	—	—	—	—
	(b)	—	—	—	—	—	—
J. W. Hughes (non-beneficial holding)	(a)	1,766	—	—	—	—	—
	(b)	1,766	—	—	—	—	—

* (a) at 30th September, 1971.

* (b) at 1st October, 1970 (or later date of appointment as director).

Report of the Directors (continued)

Directors' Interests in Shares and Loan Stocks of the Company (continued)

M.E.P.C. CANADIAN PROPERTIES LIMITED

		Common Shares of No Par Value	Preference Shares \$25 each	6 $\frac{3}{4}$ % First Mortgage Bonds 1982	8% Sinking Fund Debentures
Sir Henry Johnson	(a) *	350	—	—	—
	(b) *	—	—	—	—
R. H. Sheppard	(a)	125	—	—	—
	(b)	100	—	—	—
R. J. Dickinson	(a)	501	—	—	—
	(b)	501	—	—	—
P. A. Anker	(a)	6,150	250	\$6,000	\$3,000
	(b)	6,150	250	\$6,000	\$3,000
The Hon. Angus Ogilvy	(a)	50	—	—	—
	(b)	50	—	—	—

In addition to the above, at 30th September, 1971, Mr. P. A. Anker had options to purchase 5,000 common shares at \$4.50 per share not later than 31st July, 1974.

M.E.P.C. STILLORGAN LIMITED

(a subsidiary of M.E.P.C. (Ireland) Limited)

		Ordinary Shares of £1 each
A. Kennedy Kisch	(a)	12,500
	(b)	12,500

* (a) at 30th September, 1971.

* (b) at 1st October, 1970 (or later date of appointment as director).

Employees and Remuneration

Charitable Contributions

Auditors

Finance Act, 1965

The average number of persons employed by the group in the U.K. during the year ended 30th September, 1971 was 1,312 and the aggregate remuneration payable for the year was £1,348,000.

Contributions for charitable and similar purposes amounted to £4,150. The company did not make any contributions for political purposes.

The auditors, Messrs. Thomson McLintock & Co. have indicated their willingness to continue in office and a resolution will be proposed at the forthcoming Annual General Meeting concerning their remuneration.

The Company is not a close company for the purposes of the Finance Act, 1965.

For the purposes of capital gains tax the values of the company's ordinary shares, preference stock and securities as at 6th April, 1965 are set out below. These values have been adjusted for events subsequent to 6th April, 1965, including the acquisitions of The Metropolitan Railway Surplus Lands Company Limited (M.R.S.L.), The London County Freehold and Leasehold Properties Limited (L.C.F.) and the 1 for 10 scrip issue on 22nd December, 1969.

Ordinary shares	per share £
Held on 6th April, 1965	0.4432
Issued in exchange for:	
M.R.S.L. shares held on 6th April, 1965	0.9389
L.C.F. ordinary stock held on 6th April, 1965	0.5564
4 $\frac{1}{2}$ % Preference stock	
Held on 6th April, 1965	0.6250
	per £100 nominal £
Debenture stocks	
4% First mortgage debenture stock 1966 held on 6th April, 1965	63.000
5 $\frac{3}{4}$ % First mortgage debenture stock 1984/89 held on 6th April, 1965	85.000
Loan stocks	
8% Unsecured loan stock 2000/5 issued in exchange for:	
M.R.S.L. shares held on 6th April, 1965	94.534
L.C.F. ordinary stock held on 6th April, 1965	41.100
L.C.F. preference stock held on 6th April, 1965	81.944
5% Convertible unsecured loan stock 1989/94 issued in exchange for L.C.F. ordinary stock held on 6th April, 1965	46.790

By Order of the Board

A. L. Crowe, Secretary

7th December, 1971

Statement by the Chairman

The attached accounts relate to the year ended 30th September, 1971, and, as I only assumed the Chairmanship on 1st October, 1971, it will be clear to you that the result for the year entirely relates to the period during which my predecessor, Sir Charles Hardie, was Chairman. The outstanding success of the Company owes much to his leadership and wise guidance during his term of office, and I gladly join my fellow Directors in an expression of thanks for all he did for the Company. In making this, my first Annual Statement, I have had the advantage of discussion with Sir Charles and the existing Board. May I say how delighted I am to assume the Chairmanship of this great Company.

Profits

Once again, record profits have been earned amounting to £10,431,000 before taxation, compared with £9,065,000 in the previous year. This increase arises from two main sources, namely, the benefit of the high level of rent reversions, together with the benefit of income from new investment during the year and continuing progress in Canada, Australia and the Republic of Ireland. The earnings on the Ordinary Share Capital have increased from £4,657,000 to £5,702,000, equivalent to a rate of earnings which has grown from 19.2% to 23.5%. There is added benefit arising from the reduction in the rate of Corporation Tax. An Interim Dividend of 6% was paid on 24th June, 1971 and your Board recommend that a Final Dividend of 15% should be paid bringing the total to 21%, compared with 17% last year.

Finance

The Group has continued its policy of investing the proceeds of the issue of £31.6 million of 5% Convertible Unsecured Loan Stock 1989/94, made early in 1969, and all the funds from this source have been used. As a matter of policy it is intended that the major projects of the large development programme which are planned to mature in the next few years will be financed under separate arrangements appropriate to the character of each project.

The general funds of the Company stand to be enhanced to a major degree as a result of the sale of the bulk of the residential property, details of which were given in a letter to shareholders on 1st April, 1971. The total of these realisations amounts to £44 million against which £12½ million has already been received, the balance carrying interest at a remunerative rate being repayable by instalments over the next 5 years, designed to fit in with investment requirements during this period. The Company now only has a very small proportion of its funds invested in residential property.

In addition, during 1971, a Eurodollar credit of \$40 million was arranged, the proceeds of which will be directed to finance the Sydney Stock Exchange development and other overseas developments. In November 1971 we made an issue of \$15 million 8¾% 15-year Bonds through the Eurodollar market; this was designed to finance overseas investment.

It will be seen therefore, that the Group is well placed to continue its total programme in accordance with its policy of obtaining funds in advance for expansion as opposed to proceeding with development plans and funding at a later date on unknown terms.

Most of the £10¾m authorised but unissued ordinary share capital is reserved for the conversion rights of 5% Unsecured Convertible Loan Stock 1989/94. The small balance does not appear to be adequate for further growth of the Company, and therefore you are being asked to increase the authorised capital by £10m to a total of £47.5m. Although there is no immediate plan to utilise these shares, they will be available for future expansion. The Board will not make an issue of these shares in such a manner to effectively alter control of the Company without prior approval of the shareholders in general meeting.

Property Investment

The Company continues to benefit from the sound investment policy it has applied for many years. One of the main sources of increased income in the past few years, and expected to continue in the future, is the valuable reversionary interest in very many of our properties. Much of the large portfolio of properties in Central London was built up when rents were much lower than they are today, and new leases are being granted which show excellent returns on our investments.

Statement by the Chairman (continued)

New purchases during last year in the United Kingdom amounted to £17.3m, and these were financed partly by minor realisations of commercial and industrial properties and the balance of the £31.6m issue of Unsecured Loan Stock. In Canada additional property investment during the year totalled £7.2m. Australia is developing rapidly, and your Board have decided to expand our portfolio there. Two companies which we acquired, The Metropolitan Railway Surplus Lands Company and The London County Freehold and Leasehold Properties, had interests in Australia, and we are now expanding from this base. Directors from the parent company make regular visits to Australia, and the local management has been extended by opening an office in Melbourne, to supplement the Sydney office. In all areas special regard has again been paid in our property investment programme to the reversionary potential so that the growth of income will continue in future years. Our investment policy requires us to have fully-qualified staff ready to make immediate appraisals of opportunities, and the Company is now receiving full benefit from its programme of opening regional offices in the major urban centres in the United Kingdom, Canada and Australia.

Development Programme

Your Company has been active in seeking suitable development projects and the current programme is much larger than ever before, not only in the United Kingdom but also in Canada and Australia.

Your Board considers each of the areas to have long-term growth prospects. Our staff is geared to the size of this programme, which has been carefully planned to provide sound results.

Since the end of the financial year we have announced details of a major development in Buckingham Palace Road, London, where, in conjunction with the Grosvenor Estate, we shall build a new central headquarters for BP Chemicals International Limited and BP Oil Limited. The total cost of this project will be in excess of £20m; building will start in 1973, with completion due in 1976-77.

In Leeds we are building over 150,000 sq ft of offices and shops on the site formerly owned by the Yorkshire Post Newspapers. This development will be completed in 1973 and we are planning another large development of shops and offices in Central Leeds. At Five Ways, Birmingham, the first phase of a large office, shop and residential complex is making rapid progress. On adjacent sites totalling about seven acres, the first phase consists of a 20-storey tower to provide 135,000 sq ft of offices, which should be available for letting early in 1973. Developments in hand in other parts of the United Kingdom include offices in London, Bristol, Newcastle and Bury St. Edmunds, as well as shops, factories and warehouses in many other parts of the country. In Dublin 63,000 sq ft of offices close to St Stephen's Green will be completed this year.

The major development in Australia, to be named Exchange Centre, is in central Sydney, where site clearance has started for a 31-storey tower with very large basement area to provide over 400,000 sq ft of offices and shops. A large part of the basement area and offices will be occupied by the Sydney Stock Exchange. Completion is due in 1974, and over 40% of the office space has been pre-let. The total cost of this important project in a prime position will be more than £15m.

In Canada completions during the year included offices and shops at 'La Promenade', Ottawa; The Bank of Montreal Building, the tallest commercial building in Quebec City; and International House, Victoria, British Columbia.

The development programme is likely to accelerate in the next few years, and currently important schemes are being considered which should provide considerable benefit to shareholders.

Property Revaluation

Your Board are conscious that the Balance Sheet does not reflect the true value of the Company inasmuch as properties are included at their 1969 values or at cost. In this connection, Messrs. Knight Frank & Rutley and Messrs. Jones, Lang, Wootton, leading firms of surveyors and valuers, have been instructed to carry out a revaluation of the Group's properties for inclusion in the Balance Sheet next year.

Statement by the Chairman (continued)

Future Prospects

The immediate prospects for the current year are very favourable and a substantial increase in profits is already assured. In particular we shall have the full benefit of the reinvestment and interest on the sale proceeds of our residential properties. Valuable reversions, particularly in Central London, will also arise this year.

The growth and development of the Company to its present excellent position has been achieved by matching our property investment and development programmes with suitable financial arrangements and opportune realisations, which policy continues. During 1970-71 the directors and staff were gratified to receive the support of shareholders in their desire that M.E.P.C. should continue to grow as an independent property company. The Board believe that shareholders have every reason to be pleased with their investment in M.E.P.C., and it is our declared policy to add to the strength of the Company by acquisitions of suitable property concerns, but only on terms beneficial to the earnings applicable to ordinary shareholders.

With the entry of the United Kingdom into the European Economic Community being almost certain, we have extended our examination of overseas investment to Europe, but as elsewhere, we do not intend to indulge in speculative enterprises, but only in suitable investments and developments which meet our high standards.

Directors and Staff

Sir Charles Hardie announced at the last Annual General Meeting that he would retire during the year, and I succeeded him on 1st October. In March the Board was strengthened when Jacob Rothschild, a director of N. M. Rothschild & Sons Limited, and Jack Hughes, a senior partner of Messrs. Jones, Lang, Wootton were elected as Directors. We are already receiving benefit from their experience in their respective fields.

In July Maxwell Creasey and Peter Anker were appointed Deputy Managing Directors. Mr Creasey has been the Director in charge of investment and property management for the past five years. Mr Anker, who has very successfully built up M.E.P.C. Canadian Properties from the start, has returned to London to assist in the expansion of the Group, but he will continue to have overall responsibility for our operations in Canada and Australia. Richard Sheppard continues as Managing Director.

In August Norman Knifton retired. All members of the Board thank him for his services as a Joint Managing Director of The London County Freehold and Leasehold Properties, and as a member of your Board since February 1970. In particular his long experience in residential properties was invaluable in the transactions which led to the sale of most of our residential interests.

Mr. W. M. Balch, formerly Chairman and Managing Director of The Metropolitan Railway Surplus Lands Company prior to its acquisition by M.E.P.C. in 1968, is not seeking re-election to the Board. His wisdom and experience have been greatly valued by the Board and he is retiring with the best wishes of all his colleagues.

The team of executive directors led by Richard Sheppard is a strong one, well qualified to tackle the major problems in the property field. Looking to the future, the importance of a planned succession is well recognised and happily we have excellent young surveyors and accountants, some of whom will be able to play an increasingly important role in the business.

On my own behalf, as well as for my predecessor, I extend my thanks to all in the Group for their loyal support during the past year.

Your Board has, for some time, wanted to give executive staff the opportunity of acquiring shares in the Company, and accompanying this report are details of an employee Share Scheme which will be submitted for your approval at the Annual General Meeting.

Ten years ago the fees for Directors were raised to £1,250 per annum but the declining value of the pound since then has meant that these fees are no longer appropriate. It is therefore desirable to increase these to a figure more in keeping with current levels, and a resolution as set out on pages 4 and 5 will be proposed at the Annual General Meeting. This resolution also allows directors to be provided with pensions in lieu of fees. During the past seven years, the Company's pre-tax profits have increased nearly four-fold to their present level of nearly £10½m, and this outstanding record owes a great deal to the dedication and enthusiasm of all members of the staff.

Henry Johnson, Chairman

Consolidated Revenue Account of the Company and Subsidiary Companies for the year ended 30th September, 1971

	1971		1970	
	£'000	£'000	£'000	£'000
Revenue and charges		23,170		21,753
Deduct:				
Ground rents on leasehold properties	1,311		1,194	
Property outgoings, management and administration expenses	6,134		6,172	
		7,445		7,366
		15,725		14,387
Sundry investment and other income (Note A)		3,858		3,743
		19,583		18,130
Deduct:				
Directors' emoluments (Note B)	159		160	
Auditors' remuneration	23		23	
Depreciation of furniture and fittings, office machinery and motor cars	38		53	
		220		236
		19,363		17,894
Interest (Note C)		9,741		9,151
		9,622		8,743
Transfer of interest and other expenditure applicable to properties held for or in course of development		938		545
		10,560		9,288
Amortisation of leasehold properties (Note D)		129		223
Net revenue before charging taxation (Note E)		10,431		9,065
Deduct:				
Taxation on revenue for the year (Note F)	4,207		3,925	
Adjustment in respect of prior years	125		89	
		4,082		3,836
Net revenue for the year		6,349		5,229
Revenue attributable to outside interests in subsidiaries		278		235
		6,071		4,994
Deduct:				
Profit on dealing after tax, transferred to reserve	151		167	
Appropriated to overseas properties reserve	271		238	
		422		405
		5,649		4,589
Dividends paid or payable for the year				
Preference	98		98	
Ordinary:				
Interim (6%) paid 24th June, 1971	1,455		(5%) 1,210	
Proposed final (15%) payable 30th December, 1971	3,637		(12%) 2,905	
		5,190		4,213
		459		376
Unappropriated revenue from previous year		1,858		1,482
Unappropriated revenue carried forward		2,317		1,858
Earnings per ordinary share (Note G)		5.88p		4.80p

Notes on Consolidated Revenue Account

	1971	1970
	£'000	£'000
A Sundry investment and other income		
Dealing profits	274	290
Profit less loss of trading subsidiaries	23	12
Interest and dividends from associated companies	192	187
Dividends from quoted investments	8	8
Other interest and dividends	3,296	3,098
Management fees	65	148
	<u>3,858</u>	<u>3,743</u>

The turnover of the trading subsidiaries totalled £245,000 (1970 £581,000)

B Emoluments of the directors of the holding company		
Fees	19	17
Emoluments of executive directors	136	139
Pensions to former directors	4	4
	<u>159</u>	<u>160</u>

Particulars of directors' emoluments, excluding pension scheme contributions, in accordance with Section 6 of the Companies Act, 1967 are as follows:

	1971	1970
Emoluments of the chairman	£13,750	£13,750
Emoluments of the highest paid director	19,250	17,250
Other directors:		
Remuneration up to £2,500 p.a.	7	5
Remuneration £2,501 to £5,000 p.a.	—	1
Remuneration £10,001 to £12,500 p.a.	6	5
The management duty of one director was wholly discharged outside the United Kingdom.		

C Interest payable		
On debenture stocks and loans not repayable within five years	8,220	7,929
On debenture stocks and loans repayable within five years	782	421
On bank overdrafts	739	801
	<u>9,741</u>	<u>9,151</u>

D Amortisation of leasehold properties

Amortisation has been provided on leasehold investments having less than 50 years to run.

E Contributions from overseas investment to net revenue before charging taxation		
Canada	1,330	1,217
Republic of Ireland	242	186
Australia	514	510
Zambia	36	38

F Taxation on revenue for the year		
Corporation tax (40%)	3,388 (42½%)	3,123
Overseas taxation	301	303
Transfer to overseas taxation equalisation account	518	499
	<u>4,207</u>	<u>3,925</u>

G Earnings per Ordinary Share	
The calculations have been made before deducting the appropriation of net dealing profit to reserve but after deducting the amounts appropriated to overseas properties reserve.	

Balance Sheet of the Company and Consolidated Balance Sheet of the Company and Subsidiary Companies at 30th September, 1971

	M.E.P.C. LTD.		GROUP	
	1971	1970	1971	1970
	£'000	£'000	£'000	£'000
Authorised share capital				
Ordinary capital (in shares of 25p each)	35,000	35,000		
4½% Cumulative preference capital (in shares of £1 each)	2,500	2,500		
	<u>37,500</u>	<u>37,500</u>		
Issued share capital and reserves				
Ordinary capital (fully paid)	<u>24,246</u>	<u>24,208</u>	<u>24,246</u>	<u>24,208</u>
Capital reserves (Note 6)				
General	22,428	22,713	61,508	53,662
Share premiums	28,613	28,579	28,613	28,579
	<u>51,041</u>	<u>51,292</u>	<u>90,121</u>	<u>82,241</u>
Revenue reserves				
Dealing profits	550	399	550	399
Unappropriated revenue	532	547	2,317	1,858
	<u>1,082</u>	<u>946</u>	<u>2,867</u>	<u>2,257</u>
Ordinary capital and reserves	<u>76,369</u>	<u>76,446</u>	<u>117,234</u>	<u>108,706</u>
Preference capital (fully paid)	2,168	2,168	2,168	2,168
	<u>78,537</u>	<u>78,614</u>	<u>119,402</u>	<u>110,874</u>
Future taxation				
Taxation equalisation account (overseas)	—	—	2,367	1,745
Taxation due 1st January, 1973 or later	578	605	1,526	1,077
	<u>578</u>	<u>605</u>	<u>3,893</u>	<u>2,822</u>
Outside interests in subsidiary companies	—	—	4,825	3,947
Loan capital (Note 7)	90,087	78,376	146,085	135,707
Subsidiary companies				
Advances (without security)	35,851	9,549	39	39
Provision for repairs, renewals of fixed plant, dilapidations and contingencies (Note 8)	236	252	495	570
Current liabilities				
Bank overdrafts	386	2,112	3,044	11,100
Creditors and accrued charges	2,846	2,343	7,346	7,885
Current taxation	1,128	1,069	10,141	4,978
Proposed final ordinary dividend	3,637	2,905	3,637	2,905
	<u>7,997</u>	<u>8,429</u>	<u>24,168</u>	<u>26,868</u>
	<u>213,286</u>	<u>175,825</u>	<u>298,907</u>	<u>280,827</u>

		M.E.P.C. LTD.		GROUP	
		1971	1970	1971	1970
		£'000	£'000	£'000	£'000
Fixed assets	Investment properties at valuation or at cost (Note 1)	87,441	60,035	229,645	242,133
	Less: Provision for amortisation and depreciation (Note 2)	191	147	2,277	2,057
		87,250	59,888	227,368	240,076
	Investment—£758,000 (Group: £886,000) nominal of the debenture stocks of the Group at cost.	466	481	556	557
	(Market value £466,000 (Group: £558,000))				
	Capital redemption policies:				
	at surrender values	582	335	582	335
	at cost	4	2	51	229
	Secured loans—repayable by instalments within five years	2,328	2,336	38,108	3,419
	Office machinery, equipment and motor cars (Note 3)	78	70	174	271
	Funds for re-investment held by debenture trustees	97	58	1,128	133
		90,805	63,170	267,967	245,020
Subsidiary companies (Note 4)	Shares at cost, (less amounts written off—£12,751)	75,066	73,059	761	761
	Advances and dividends receivable	34,527	19,275	245	245
		109,593	92,334	1,006	1,006
Interests in associated companies (Note 5)		1,114	452	2,683	2,116
Current assets	Properties of dealing subsidiaries at cost	—	—	5,313	4,933
	Loans (unsecured)	2,000	3,000	2,000	3,000
	Debtors for rents and sundry balances, less provision for doubtful debts	3,118	1,719	7,564	6,435
	Tax reserve certificates	6,305	5,500	6,305	5,500
	Short term deposits	350	9,650	5,822	12,386
	Bank and cash balances	1	—	247	431
		11,774	19,869	27,251	32,685
HENRY JOHNSON					
RICHARD H. SHEPPARD					
Directors					
		213,286	175,825	298,907	280,827

The notes on pages 16/21 form an integral part of the accounts

Notes on the Balance Sheets

1 Properties

	M.E.P.C. LTD.				GROUP			
	Freeholds	Long Leaseholds	Short Leaseholds	Total	Freeholds	Long Leaseholds	Short Leaseholds	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance 1st October, 1970								
Valuation	36,964	14,914	2,459	54,337	90,363	26,571	3,771	120,705
Cost	3,798	1,587	313	5,698	86,032	28,825	6,571	121,428
Additions during the year at cost	5,370	2,017	661	8,048	23,311	5,652	807	29,770
Transfers from subsidiaries	16,017	3,470	—	19,487	—	—	—	—
Changes in Allocation	+503	-227	-276	—	+5,879	-4,550	-1,329	—
	62,652	21,761	3,157	87,570	205,585	56,498	9,820	271,903
Deduct:								
Disposals	129	—	—	129	30,196	7,937	4,125	42,258
	62,523	21,761	3,157	87,441	175,389	48,561	5,695	229,645
Balance 30th September, 1971								
Valuation by the Directors in 1969	49,278	18,154	2,258	69,690	85,904	10,981	3,549	100,434
Cost	13,245	3,607	899	17,751	89,485	37,580	2,146	129,211
	62,523	21,761	3,157	87,441	175,389	48,561	5,695	229,645

2 Freehold depreciation and leasehold amortisation

	M.E.P.C. LTD.		GROUP	
	Freehold Depreciation	Leasehold Amortisation	Freehold Depreciation	Leasehold Amortisation
	£'000	£'000	£'000	£'000
Balance 1st October, 1970	93	54	1,711	346
Balances of new subsidiaries	—	—	65	—
Charged to revenue account	—	47	—	129
Appropriated out of profits	—	—	271	—
	93	101	2,047	475
Deduct:				
Disposals	—	3	65	180
	93	98	1,982	295
Balance 30th September, 1971				
	93	98	1,982	295
		191		2,277

3 Office machinery, equipment and motor cars

	M.E.P.C. LTD.		GROUP	
	1971	1970	1971	1970
	£'000	£'000	£'000	£'000
Cost 1st October, 1970	140	124	561	301
Exchange adjustment	—	—	—	1
Additions	25	20	53	366
	165	144	614	668
Deduct:				
Disposals	5	4	271	107
Cost 30th September, 1971	160	140	343	561
Depreciation 1st October, 1970	70	61	290	121
Exchange adjustment	—	—	—	1
Balances of new subsidiaries	—	—	—	142
Charged to revenue account	14	11	38	53
	84	72	328	317
Deduct:				
Disposals	2	2	159	27
Depreciation 30th September, 1971	82	70	169	290
Net book value	78	70	174	271

Notes on the Balance Sheets (continued)

4 Subsidiary companies not consolidated

In view of the situation in Rhodesia and the embargo on remittances to the United Kingdom the consolidated accounts do not include the profits earned by the wholly-owned Rhodesian subsidiaries since 1st October, 1969, the effective date of acquisition, nor their assets and liabilities except to the extent of the investment of the Parent Company therein which is as follows:

	£
Ordinary shares at cost	645,700
Loan account	244,583
	<u>£890,283</u>

Net revenue of the Rhodesian subsidiaries for the year ended 30th September, 1971 before taxation amounted to £100,361 and the net revenue after taxation which would otherwise have been included in the group consolidated revenue account amounted to £56,953 (£1 = \$Rh1.72) and cumulative profits since acquisition £118,100.

The accounts of Jeffery, Sons & Company, Limited, a wholly-owned subsidiary in the furnishing trade, have not been included in the consolidated accounts because, in the opinion of the directors, to do so would be of no real value to the members of the parent company in view of the insignificant amounts involved. The profits of the company from acquisition to 31st January, 1971 (the last date to which audited accounts have been prepared) which have not been dealt with in these accounts amounts to £243.

5 Associated companies

Interests in associated companies are:

	M.E.P.C. LTD.		GROUP	
	1971	1970	1971	1970
	£'000	£'000	£'000	£'000
Shares (unquoted) at cost	3	3	664	710
Loans less provisions	1,111	449	2,019	1,406
	<u>1,114</u>	<u>452</u>	<u>2,683</u>	<u>2,116</u>

Shareholdings in associated companies are as follows:

HELD BY M.E.P.C. LIMITED:	Percentage of issued ordinary capital
Currie Investments Limited	25%
M.E.P.C. (Glasgow) Limited	50%
M.E.P.C. (Wembley Properties) Limited	50%
Shaftesbury Land & Building Company Limited	50%

HELD BY SUBSIDIARY COMPANIES:

Broseley Investment Company Limited (since sold)	44%
Bredwood Investments Limited	27%
County Palatine Developments Limited	27%
Lowton Construction Group Limited	50%
Metrolands-Victoria Investments Limited and Subsidiary	50%
M.R.C.E. Limited	50%
Newton Street Investments Limited	50%
Edifice Montcalm Inc. (registered in Canada)	50%
Middle Harbour Investments Limited (registered in Australia)	25½%

In the opinion of the directors the current value of the shares held in associated companies is approximately £1,500,000 in excess of book value.

Notes on the Balance Sheets (continued)

6 Capital reserves

	M.E.P.C. LTD. £'000	GROUP £'000
Balance 1st October, 1970	51,292	82,241
Premium on capital issued on conversion of debentures	34	34
Surpluses:		
Difference on exchange rates	27	103
Realisation of properties and sundry credits less capital gains tax	10	7,958
Purchases of debenture stock for redemption	45	363
Taxation allowances	48	119
	<u>51,456</u>	<u>90,818</u>
Deduct:		
Capital issue expenses	11	69
Loans to associated company, written off	53	194
Expenses in connection with offer for company's share capital	351	351
Adjustments of minority interests	—	83
	<u>51,041</u>	<u>90,121</u>

No provision has been made for tax on capital gains which might become payable in the event of future sales of properties at the amounts at which they are included in the accounts. The tax, if any, which might arise would, with the exception of one subsidiary (see below), be chargeable only on that part of the capital gain attributable to the period since 6th April, 1965; in the opinion of the directors it is not practicable to quantify the amount.

In the event of the sale of the properties of one subsidiary company, tax would be payable on the difference between the cost to the subsidiary and the realised amount. The properties of that subsidiary are included in the group accounts at £8,178,840 in excess of cost.

If any such tax liabilities arise on a sale of the properties it would be the directors' intention to charge such liabilities to capital reserve and a sufficient balance will be retained in the reserve to meet such contingent liabilities.

7 Loan capital

	M.E.P.C. LTD.		GROUP	
	1971 £'000	1970 £'000	1971 £'000	1970 £'000
Secured				
*4% First mortgage debenture stock 1996	2,668	2,757	2,668	2,757
*5 $\frac{3}{4}$ % First mortgage debenture stock 1984/89	4,885	4,944	4,885	4,944
*6 $\frac{3}{8}$ % First mortgage debenture stock 1997/2000	10,800	10,872	10,800	10,872
3 $\frac{3}{4}$ % Debenture stock 1965/78	—	—	120	120
5 $\frac{3}{4}$ % First mortgage debenture stock 1985/90	—	—	2,500	2,500
6 $\frac{1}{2}$ % First mortgage debenture stock 1985/90	—	—	500	500
*6 $\frac{1}{2}$ % First mortgage debenture stock 1986/91	—	—	1,881	1,908
*6 $\frac{1}{2}$ % First mortgage debenture stock 1986/91	—	—	1,872	1,901
*6 $\frac{1}{4}$ % First mortgage debenture stock 1986/95	—	—	5,165	5,529
6% First mortgage debenture stock 1987	—	—	950	950
*3 $\frac{1}{4}$ % First mortgage debenture stock 1989	—	—	3,413	3,638
*7 $\frac{1}{4}$ % First mortgage debenture stock 1991/95	—	—	2,342	2,464
*7 $\frac{3}{4}$ % First mortgage debenture stock 1992/96	—	—	2,444	2,500
*First mortgage debenture 1992	—	—	4,234	4,244
*6 $\frac{3}{4}$ % First mortgage sinking fund bonds 1982	—	—	892	898
*5 $\frac{7}{8}$ % First mortgage sinking fund bonds 1983	—	—	1,110	1,164
*6 $\frac{3}{8}$ % First mortgage sinking fund bonds 1983	—	—	181	207
*6 $\frac{3}{8}$ % First mortgage sinking fund bonds 1987	—	—	1,092	1,138
*7 $\frac{1}{8}$ % First mortgage sinking fund bonds 1988	—	—	787	816
*8 $\frac{1}{2}$ % First mortgage sinking fund bonds 1991	—	—	1,548	1,600
*8% Sinking fund debentures 1991	—	—	2,640	2,800
*8% Sinking fund debentures 1991	—	—	1,559	—
*10 $\frac{1}{2}$ % Sinking fund debentures 1991	—	—	610	—
Mortgages (b)	5,023	1,147	25,181	23,601
Unsecured				
8% Unsecured loan stock 2000/5	10,230	10,230	10,230	10,230
5% Convertible unsecured loan stock 1989/94 (a)	47,676	47,676	47,676	47,676
7 $\frac{3}{8}$ % Unsecured loan repayable 1972	750	750	750	750
9 $\frac{1}{2}$ % Unsecured loan repayable 1975/6	1,200	—	1,200	—
Unsecured Eurodollar loan (repayable within five years)	6,855	—	6,855	—
	<u>90,087</u>	<u>78,376</u>	<u>146,085</u>	<u>135,707</u>

*The debenture stocks marked with an asterisk are wholly or partly redeemable through annual purchases, or by drawings out of yearly sinking fund instalments.

Notes on the Balance Sheets (continued)

7 Loan capital (continued)

(a) The 5% unsecured convertible loan stock 1989/94 is convertible into ordinary shares of the Company at £1.2954 per share in any of the years from 1974 to 1988 inclusive.

(b) The number of mortgages is such that to give full particulars of the repayment terms and interest rates would, in the opinion of the directors, result in a statement of excessive length. The following summary provides a general indication of these particulars:

	M.E.P.C. LTD.		GROUP	
	1971	1970	1971	1970
	£'000	£'000	£'000	£'000
Repayable in full in less than 5 years:				
Interest 4%—5 $\frac{3}{4}$ %	25	—	25	743
Interest 6%—7 $\frac{3}{4}$ %	80	80	1,799	294
Interest 8%—9 $\frac{1}{4}$ %	—	—	751	1,389
Repayable in full after more than 5 years but less than 10 years:				
Interest 4%—5 $\frac{3}{4}$ %	55	60	197	60
Interest 6%—7 $\frac{3}{4}$ %	—	775	747	1,404
Interest 8%—10 $\frac{3}{4}$ %	—	—	215	—
Repayable in full after more than 10 years:				
Interest 4%—5 $\frac{3}{4}$ %	497	—	497	654
Interest 6%—7 $\frac{3}{4}$ %	232	232	14,717	17,133
Interest 8%—9 $\frac{1}{2}$ %	4,134	—	6,233	1,924
	<u>5,023</u>	<u>1,147</u>	<u>25,181</u>	<u>23,601</u>

8 Provisions for repairs, renewals of fixed plant, dilapidations and contingencies

	M.E.P.C. LTD.	GROUP
	£'000	£'000
Balance 1st October, 1970	252	570
Transfers from subsidiaries	— 5	—
Charged to revenue account	258	980
	<u>505</u>	<u>1,550</u>
Expenditure (less recovered from tenants)	269	1,055
	<u>236</u>	<u>495</u>
Balance 30th September, 1971		

Deferred expenditure of £55,796 at 1st October, 1970 and £41,706 at 30th September, 1971, was set-off against the group provision.

Notes on the Balance Sheets (continued)

9 M.E.P.C. Canadian Properties Limited—share options

At 30th September, 1971 share purchase warrants entitling the holders to purchase common shares in M.E.P.C. Canadian Properties Limited were outstanding as follows:

Exercisable	Entitlement	Price per share
Before 30th June, 1976	101,545 shares	\$3.50
Before 31st October, 1976	700,000 shares	\$6.00
Before 31st December, 1976	40,000 shares	\$6.67

Executives of M.E.P.C. Canadian Properties Limited have other options to purchase 12,000 common shares at \$4.50 per share not later than 31st July, 1974 and 85,000 common shares at \$4.95 per share not later than September 1976.

The total interest of minority shareholders in this subsidiary will be 40½% approximately if the rights and options are exercised in full, compared with 30% at 30th September, 1971.

10 Exchange rates

The assets, liabilities and results of subsidiary companies have been converted into sterling at the following rates:

CANADA	£1 = \$(Can.) 2.50
U.S.A.	£1 = \$(U.S.) 2.48
AUSTRALIA	£1 = \$(A) 2.15
ZAMBIA	£1 = K1.7142

11 Capital commitments

Capital commitments for which provision has not been made in these accounts amount to:

	M.E.P.C. LTD.		GROUP	
	1971 £'000	1970 £'000	1971 £'000	1970 £'000
Contracted	1,700	1,800	21,200	7,300
Authorised but not contracted	3,300	9,200	46,800	53,500

12 Contingent liabilities

There are contingent liabilities for:

- Uncalled capital investments in subsidiary companies amounting to £950,000.
- Guarantees given by the company and its subsidiary companies to secure monies borrowed by other subsidiary companies amounting to £4,354,000.
- Guarantees given by a subsidiary company to secure monies borrowed by associated companies amounting to £604,000.

Notes on the Balance Sheets (continued)

13 Principal subsidiary companies

UNITED KINGDOM

Wholly owned subsidiary companies:

Houldsworth Properties Limited
The House and Land Syndicate Limited
Jeffery, Sons & Company, Limited
Kingsley Investment Trust Limited
The London County Freehold and Leasehold Properties Limited
(Wholly owned subsidiaries:
 Lonco Developments Limited
 London County Properties (Developments) Limited)
London Land & Property Company Limited
The Manchester Commercial Buildings Company Limited
M.E.P.C. (Developments) Limited
M.E.P.C. (Leeds) Limited
M.E.P.C. (Liverpool) Limited
The Metropolitan Railway Surplus Lands Company Limited
(Wholly owned subsidiaries:
 Metrolands (Holloway) Limited
 Ortem Estates Limited
 King's Head Hotel (Darlington) Limited
 T. M. Locke Limited)
Town Investments Limited
Waddon Investments Limited
Wesley Estates Limited
(Wholly owned subsidiary:
 Nonpareil Securities Limited)

Partly owned subsidiary companies:

Oxford Properties Limited
Percy Street Investments Limited
Property Development Consortium Limited
Threadneedle Property Company Limited
(Wholly owned subsidiary:
 Tudor Properties (Bramhall) Limited)

Proportion of
Ordinary Capital
held

67%
67%
95%
65%

OUTSIDE THE UNITED KINGDOM

Incorporated in Canada:
 M.E.P.C. Canadian Properties Limited (and subsidiaries) 70%
 27 Wellesley Street East, Toronto 280
 (President: P. A. Anker, F.R.I.C.S.)
Incorporated in the Republic of Ireland:
 M.E.P.C. (Ireland) Limited (and subsidiaries) 90%
 Dublin City Properties Limited, 93%
 3 Fade Street, Dublin 2
 (Managing Director: A. Kennedy Kisch, M.A.)
Incorporated in Australia:
 M.E.P.C. Australian Properties Limited 100%
 168/170 Kent Street, NSW 2000, Sydney
 M.R.S.L. Pty. Limited (and subsidiaries) 100%
Incorporated in Rhodesia:
 London County Properties of Rhodesia (PVT) Limited 100%
Incorporated in Zambia:
 London County Properties of Africa Limited 100%
Incorporated in the Netherlands:
 Metropolitan Estate and Property International N.V. 100%

Non-operating subsidiaries and subsidiaries which do not materially affect the profit or the assets of the group, have been excluded from the above statement.

Report of the Auditors

We have audited the books and records of Metropolitan Estate and Property Corporation Limited for the year ended 30th September, 1971. The foregoing accounts have been properly prepared in accordance with the provisions of the Companies Acts, 1948 and 1967. Certain of the subsidiaries have been audited by other firms of accountants.

In our opinion these accounts give a true and fair view of the state of affairs of the company, and of the state of affairs and profit of the company and its subsidiaries so far as concerns the members of the company.

Thomson McLintock & Co.
Chartered Accountants

33, King William Street,
London, E.C.4.

7th December, 1971

Comparative Information 1962-1971 (in £'000)

Group revenue account	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971
Gross revenue	4,151	4,499	4,932	5,552	6,409	7,509	8,854	12,987	25,496	27,027
Revenue before taxation	2,380	2,552	2,630	2,957	3,325	3,767	4,440	5,692	9,065	10,431
Taxation	1,271	1,336	1,367	1,554	1,566	1,458	1,747	2,535	3,836	4,082
Revenue available for ordinary dividends and reserves	1,036	1,125	1,157	1,266	1,589	2,070	2,392	2,859	4,896	5,973
Ordinary dividends	891	985	985	1,035	1,329	1,838	1,877	2,199	4,115	5,092
Rate of ordinary dividends (Note 2)	8.6%	9.5%	9.5%	10.5%	10.5%	10.9%	11.1%	11.8%	17.0%	21.0%

Group balance sheet										
Investment properties (at book value)	46,507	50,368	55,349	58,332	66,076	73,524	82,912	152,661	242,133	229,645
Loan capital	13,645	15,001	21,122	24,804	28,879	34,097	41,049	88,594	135,707	146,085
Share capital and reserves :										
Ordinary capital	15,319	15,319	15,319	15,319	15,319	15,319	15,319	16,917	24,208	24,246
Preference capital	2,025	2,025	2,168	2,168	2,168	2,168	2,168	2,168	2,168	2,168
Capital reserves	13,253	13,329	13,192	14,004	14,535	14,727	15,416	66,042	82,241	90,121
Revenue reserves	552	615	668	771	868	897	1,154	1,680	2,257	2,867
Total share capital and reserves	31,149	31,288	31,347	32,262	32,890	33,111	34,057	86,807	110,874	119,402

Notes

1 Because of the provisions of the Finance Act, 1965, the figures given for 1962 to 1965 in respect of taxation, revenue available for ordinary dividends and reserves and ordinary dividends are not comparable with later years.

2 The rates of ordinary dividends have been adjusted for scrip issues.

3 The increases in the issued ordinary share capital resulted from the following (in £'000) :

	1962	1969	1970	1971
Conversion of debentures	45	508	98	38
Scrip issue (1 for 2)	3,969			
Scrip issue (1 for 10)			1,692	
Acquisition of subsidiary companies	3,366	1,090	5,501	
	7,380	1,598	7,291	38







This regional shopping centre is the heart of the rapidly expanding new town of Yate about 10 miles from Bristol.

Developed by MEPC on a 36 acre freehold site, 91 shops have been built in the first three phases, and nationally known tenants include Tesco (25,000 sq ft), Woolworth, Keymarkets, Burtons, Boots, Halfords, Currys, Dewhursts and the 'Big Four' banks—National Westminster, Midland, Lloyds and Barclays.

The site allows for future expansion with a potential of up to 200 shops. Parking is provided for nearly 2,000 cars.

